

APPROVED PROPERTY FINANCE GUIDE

Provided by
Approved.
Property Finance



CONTENTS

SPECIALIST PROPERTY FINANCE	03
BRIDGING FINANCE	04
COMMERCIAL MORTGAGE	06
DEVELOPMENT FINANCE	08
HOW IT WORKS	10

SPECIALIST PROPERTY FINANCE

Specialist property finance from an award winning business finance brokerage.

We understand the complexities of property finance and have the knowledge to secure your next **bridging, mortgage or development project**. With market-leading property finance products and best-in-class rates, Approved are ideally placed to deliver your funding solution. We pride ourselves on strategic thinking, transparent communication and the on going support we give you throughout the process.

**GROWTH IN
PROPERTY
PROJECT -
STARTS IN
THE UK IS
FORECAST
TO INCREASE
BY
2024.**

Allan Wilen BSc (Hons), Economics
Director / Yuliana Ivanykovich, Senior
Economist (2023) -Construction Industry
Forecast 2023-2025.



£300M FUNDED

Approved Finance are proud to have been able to fund over £300 Million for SME and large businesses across the UK.



FAST DECISIONS

Property based finance, with fast application and decisions plus assistance from our specialist property team.



LOW RATES

Our relationships with lenders and suppliers enables us to secure best in class rates across all industry sectors.



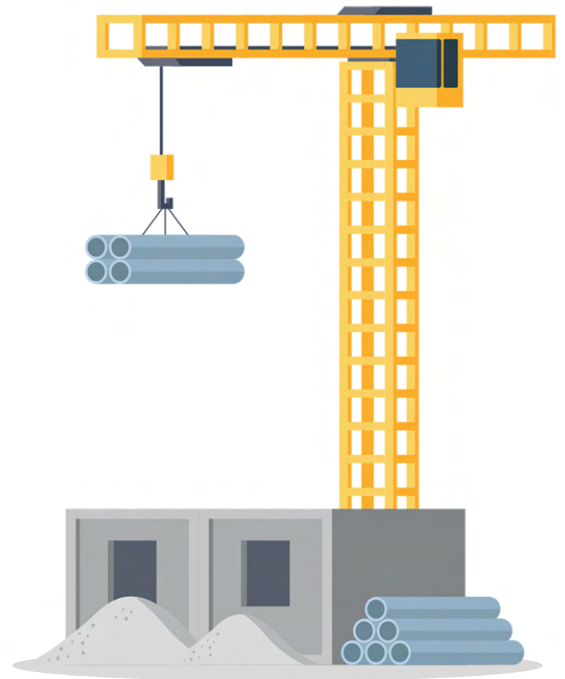
5 STAR RATED

Over 240+ five star reviews thanks to our Finance Brokers who have raised over half a billion in funds.

BRIDGING FINANCE

WHAT IS BRIDGING FINANCE?

Bridging Finance for commercial property is a short-term loan solution designed to bridge the financial gap when purchasing or renovating commercial real estate. It provides quick access to capital, typically secured against the property, enabling borrowers to seize lucrative opportunities without waiting for long-term financing.



This flexible funding option allows investors and developers to expedite commercial property projects, maximise returns, and swiftly capitalise on market conditions. Learn more about bridging finance for commercial property and its benefits [here](#).

WHY USE APPROVED PROPERTY?

Businesses should utilise **Commercial Bridging Finance** by Approved Property Finance for its reliable and expert service. With quick capital access, flexible terms, and a trusted reputation, Approved Property Finance enables businesses to bridge financial gaps, seize opportunities, and expedite commercial property projects with confidence and ease.

HOW LONG DOES IT TAKE TO GET A BRIDGING LOAN?

The time it takes to get a bridging loan can vary depending on factors such as the lender's processes, the complexity of the loan application, and the availability of required documentation. In general, it can take anywhere from a few days to a few weeks to secure a bridging loan.



BENEFITS OF A BRIDGING LOANS?

There are many benefits to Bridging Loans, Most notably, fast bridging loans can be delivered far quicker than mortgages. This speed enables property investors to seize opportunities before competitors, which is particularly important in the case of buy-to-let bridging loans.

HOW MUCH DEPOSIT IS NEEDED?

The required deposit for a bridging loan is typically around 20-30% of the property's value. However, deposit requirements can vary among lenders, and it's advisable to consult with a finance broker or lenders directly to determine the specific deposit amount needed for your bridging loan.

CAN YOU GET 100% BRIDGING LOANS?

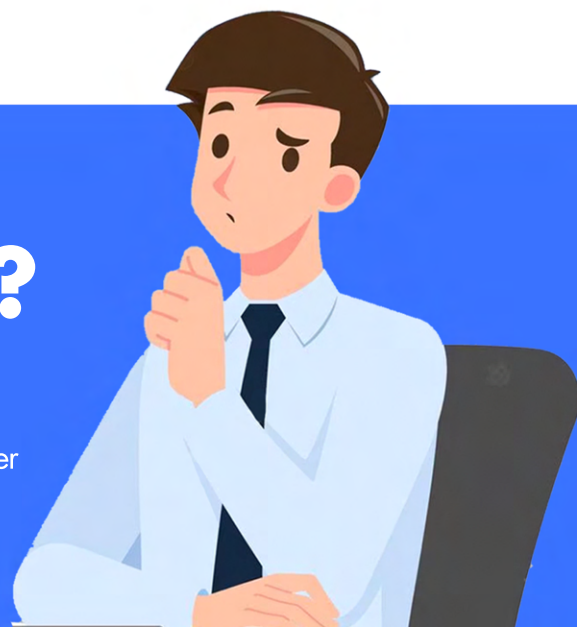
While it is rare, some lenders may offer 100% bridging loans. Lenders typically require some form of security or equity, such as additional properties or a guarantor, to mitigate the risk.

WHAT CAN I USE A BRIDGING LOAN FOR?

A bridging loan can be used for various purposes, including purchasing a new property before selling an existing one, financing property renovations or refurbishments, bridging gaps in property chains, funding property development projects, or seizing investment opportunities that require quick access to capital.

SHOULD I GET A BRIDGING LOAN?

Bridging loans offer a significantly faster funding solution compared to mortgages, making them an excellent alternative for those seeking quick access to capital. However, borrowers should carefully consider the costs, risks, and their ability to repay the loan before deciding if it's worth pursuing.



COMMERCIAL MORTGAGE

WHAT IS COMMERCIAL MORTGAGE?

Commercial Mortgages are financing options specifically designed for purchasing or refinancing commercial properties. They provide businesses with long-term loans secured against the property, enabling them to acquire or invest in commercial real estate. Commercial mortgages typically have lower interest rates and longer repayment terms compared to short-term financing options. They are ideal for businesses looking to establish a stable presence, expand operations, or generate rental income from commercial properties.



WHY USE APPROVED PROPERTY FINANCE?

Businesses should choose **Commercial Mortgages** by Approved Property Finance for their commercial property needs due to their reliable and expert service. With competitive interest rates, flexible terms, and a trusted reputation, Approved Property Finance offers businesses the opportunity to secure long-term financing for commercial properties with confidence and ease.

HOW MUCH DEPOSIT IS NEEDED FOR A COMMERCIAL MORTGAGE?

The deposit required for a commercial mortgage generally ranges from 20% to 40% of the property's purchase price. However, the specific amount can vary depending on factors such as the lender's requirements, the financial strength of the borrower, and the nature of the commercial property being financed.



HOW MUCH DEPOSIT IS NEEDED?

The deposit required for a commercial mortgage generally ranges from 20% to 40% of the property's purchase price. However, the specific amount can vary depending on factors such as the lender's requirements, the financial strength of the borrower, and the nature of the commercial property being financed.

WHAT CAN IT BE USED FOR?

A commercial mortgage can be used to finance various business purposes, including purchasing commercial properties like offices, retail spaces, industrial units, and warehouses. It can also be utilized for property development, refinancing existing debt, funding business expansions, or acquiring income-generating investment properties in the commercial sector.

WHAT ARE THE ADVANTAGES?

Advantages: UK commercial mortgages offer long-term financing, lower interest rates compared to short-term loans, potential tax benefits, and the opportunity to acquire and invest in commercial properties. They provide stability, flexibility in repayment terms, and the ability to build equity over time. Commercial mortgages also allow businesses to secure funding for expansions, refinancing, and income-generating investments.

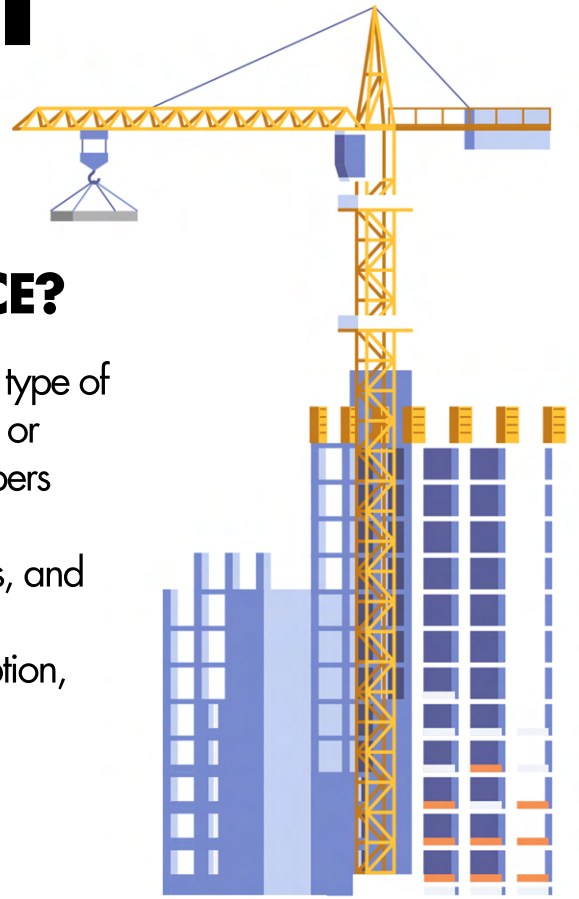
Disadvantages: UK commercial mortgages typically require substantial down payments, involve complex underwriting processes, and may have prepayment penalties. Property value fluctuations can impact loan-to-value ratios, and defaulting on payments can lead to foreclosure. The application process can be time-consuming, and lenders may have stringent eligibility criteria. Additionally, commercial mortgages carry the risk of interest rate changes and economic fluctuations.

HOW LONG DOES IT TAKE?

The process of obtaining a commercial mortgage in the UK is typically efficient and streamlined, with lenders working diligently to provide timely approvals and funding. While the exact timeframe may vary depending on the specifics of the transaction, borrowers can generally expect a smooth and relatively swift process, ensuring quick access to the financing they need.



DEVELOPMENT FINANCE



WHAT IS DEVELOPMENT FINANCE?

Development Finance for commercial property is a type of funding specifically designed to support the construction or renovation of commercial properties. It provides developers with the necessary capital to cover costs such as land acquisition, planning permissions, construction expenses, and other associated expenses throughout the development process. Development finance is a short-term funding option, usually for between 6-24 months.

WHY USE APPROVED PROPERTY FINANCE?

Choose Approved Property Finance for your commercial development finance needs due to their expertise and reliable service. With competitive rates, flexible terms, and a trusted reputation, Approved Property Finance helps developers secure the **necessary capital** to fund their commercial property projects with confidence and efficiency.

WHAT IS AN EXAMPLE OF DEVELOPMENT FINANCE?

Development finance differs from conventional home or business mortgages as they are disbursed in stages from a predetermined loan pool. Lenders generally cap their funding at around 70% of land purchase expenses and up to 90% of construction costs, ensuring proper risk mitigation throughout the development process.



CAN YOU GET 100% DEVELOPMENT FINANCE?

Experienced property developers with a proven track record of successfully completing comparable projects in the past can typically access 100% development finance. However, securing such funding may pose challenges for new developers or those seeking financing for smaller-scale projects. Lenders often prioritise the experience and track record of developers when considering 100% development finance options.

HOW MUCH DEPOSIT DO I NEED?

The deposit required by lenders for a project generally ranges from 20% to 30% of the overall project cost, although this can differ based on the lender and project particulars. It's important to consult with lenders to determine the specific deposit amount needed for your project financing.

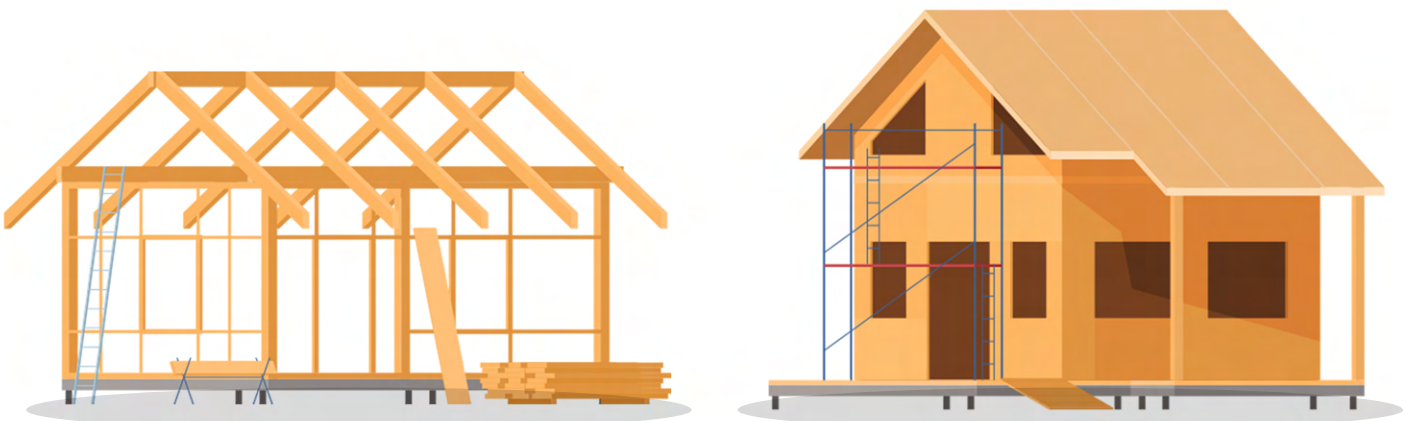
HOW MUCH CAN I BORROW?

The borrowing amount is determined by the gross development value (GDV) of the completed project, representing its future market worth. Lenders usually provide financing of up to 60-70% of the GDV and up to 75-80% of the overall project costs, ensuring adequate funding to support your development venture.



WHAT ARE THE BENEFITS?

Development finance offers several benefits. Firstly, it provides the necessary capital to fund the construction or renovation of commercial properties, allowing developers to bring their projects to fruition. It offers flexibility in terms of repayment structures, helping developers manage their cash flow effectively. Additionally, commercial property development finance can be tailored to suit specific project requirements and can be obtained for various property types, including offices, retail spaces, industrial units, and more.



HOW IT WORKS



At **Approved Property Finance, our vision is to change the way business owners experience finance**

Approved Property is a fast growing property finance specialist. With over 30+ years of experience in the property sector, our team specialises in providing bespoke solutions covering numerous sectors.



OR

CALL 01908 429888

1

FAST APPLICATION

You'll share basic information about your business and finance requirements. Either apply online or call us on 01908 429888.

2

GET YOUR FREE QUOTE

We'll get some more information regarding your businesses and tailor the best solution to your needs.

3

GET FUNDS FAST

Once approved, we'll get funds to your preferred business bank account or pay a supplier on your behalf.

*We keep our property solution options transparent - no hidden fees or nasty surprises. This is property finance made easy. Our no-obligation application will not affect your credit score.



 **01908 429888**  **INFO@APPROVED-FINANCE.CO.UK**

Approved Business Finance Ltd is an independent asset finance brokerage and not a lender, as such we can introduce you to a wide range of finance providers depending on your requirements and circumstances. We are not independent finance advisors and so are unable to provide you with independent finance advice. Approved Business Finance Ltd may receive payment(s) or other benefit from the finance provider if you decide to enter into an agreement with them. Approved Business Finance Ltd aims to provide our customers with the highest standards of service. If our service fails to meet your requirements, we will endeavour to find a resolution.

Approved Business Finance Ltd is an Appointed Representative of AFS Compliance Ltd, which is Authorised and Regulated by the Financial Conduct Authority, firm number 625035. Approved Business Finance Ltd is a Franchisee of Asset Finance Solutions (UK) Ltd. Approved Business Finance Ltd is incorporated in England and Wales (company number: 11914104) with its registered office at Witan Studios, Witan Gate, Milton Keynes, MK9 1EJ

WWW.APPROVEDBUSINESSFINANCE.CO.UK